

The Leaf Sheet

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Inside this issue:

Message from the National Chair	1
Upcoming Meetings	1
Messages from the Uniformity Committee Co-Chairs	2
Message from the Subcommittees	2-4
National, Regional & Tax Section Officers	5

Upcoming Meetings:

January Uniformity

January 28-29, 2025
San Antonio, TX

Southern Region

March 26-27, 2025
Chattanooga, TN

Western Region

April 30 - May 1, 2025
Boise, ID

Northeast Region

May 22-23, 2025
New Haven, CT

Central Region

June 25-26, 2025
Detroit, MI

August Uniformity

August 8-9, 2025
Indianapolis, IN

Tobacco Annual

August 10-13, 2025
Indianapolis, IN

Message from the National Chair

Greetings from the bustling capital Washington DC. I hope you are doing well. I started this journey in FTA with outstanding encouragement from Cindy Anders-Robb in 2013; Little did I know I would later be a National Chair. It has been very rewarding for me to work with both government and industry leading the FTA tobacco tax section in this capacity. This amazing experience has flown by while serving as your national chair. I must give honor to whom honor is due Justin Scott, he has been a source of strength for me to handle this position as national chair.

As I reminisce on attending all tobacco regional meetings and the annual conference in Indianapolis, Indiana. I remember how I started as a secretary of the Northeastern region 2017-2018, Lt. Governor 2018-2019 and Governor for three terms from 2019-2022 due to the COVID pandemic. Then, Gerald Robinett nominated me to be the FTA national secretary.

In spite of the challenges, I faced on my request to accept this nomination I pulled through with the help of the Operations Director Ms. Liggins. She immediately asked me to accept the nomination. Ms. Liggins and the DCFO Keith Richardson were a great source of encouragement and supported me through my journey. My special thanks to all in OTR.

I would be amiss if I did not mention my colleagues on the executive board, Marci

Rosencutter (Vice Chair), Kim Hensley (Secretary) and past chairs, Justin Scott, Al Milak and Gerald Robinett. Our team spent many hours together in TEAMS meetings planning for the annual conference and putting our heads together to find presenters for the topic of interest. Thank you for being a great team of leaders and all the support you have given me throughout this role.

Cindy Anders-Robb's retirement on December 31st, 2023, was a bittersweet moment for me. I am so thankful for all that she did in preparing me for the chair position while serving in other capacities over my past several years on the regional and national board (the never-ending pandemic years). Thank you, Cindy, for your friendship and mentorship which helped me to stay organized and focused on promoting FTA.

I want to thank Kevin Richard for taking the bull by the horns and stepping into the large shoes left by Cindy Anders-Robb. I

am humbled and honored to work with you. I appreciate all your help and your willingness to learn and grow from these experiences. Again, thank you, Kevin and welcome aboard.

We hope everyone can

be active in the FTA. There are so many opportunities to get involved on both the national and regional levels. Please participate in our uniformity meetings and ask how you can get involved. These opportunities provide countless rewarding networking.

Again, thank you for allowing me to serve as your national chair. I have been with the DC government, Office of Tax and Revenue for 16 years and 12 years with the FTA. I am honored to know many of you both past and present, and not only call you my colleagues but my friends!

Best wishes,

Florence Sam



Message from Uniformity Committee Co-Chairs

JD and I are looking forward to seeing everyone in San Antonio, TX for the Uniformity meeting. First, we would like to thank Jason Kramer for the time he has spent as the state's uniformity chair. He has done a wonderful job and cannot thank him enough for his efforts. Next, we would like to welcome Garrett Nedved as the state chair of the Communication and Legislation Subcommittee. We are excited and look forward to collaborating with you.

At the August meeting in Mobile, AL we had an excellent presentation by our Cannabis Subcommittee, and they dove into the topics of Cannabis program updates for states, and current trends on Cannabis synthetics and the road ahead for Cannabis. The Cannabis committee always does a wonderful job, and we look forward to seeing what topics they have in store for us at the meeting in San Antonio. Our Compliance Subcommittee covered several topics such as Illicit activity in vapor, new flavor bans, new products hitting the market, and a compliance case study that had us break into groups to have us work together. As always, the Compliance Subcommittee continues to hit excellent topics that affect all of us today. Our Communication and Legislation Subcommittee did a fantastic job of going through the legislation update, vape directories, white papers, the Tobacco Tax Information by State (TTIBS), and we had an entertaining game involving uniformity. We cannot say enough about the work the committee does and look forward to their topics at the upcoming meeting. The Forms and Technology Subcommittee are the unsung heroes of the uniformity project. At the August meeting they had an interesting presentation on a new timeline of what you need to look forward to when going to uniformity. There was also discussion on the possibility of sample data for states looking to go uniformity and we had a discussion on definition changes in the uniformity guide. We are looking forward to seeing what they have in store for the meeting in San Antonio. We cannot thank the committees enough for their time, hard work, and excellence. We also want to thank everyone that comes to the uniformity meetings... **YOU**... make uniformity what it is, and we look forward to seeing everyone in San Antonio.

JD and Tim

Compliance Subcommittee Update

It's hard to believe it's been almost 5 months since the FTA Annual in Mobile, AL where we had our last Uniformity meeting! We covered a lot of interesting topics in Mobile, AL from all the subcommittees presenting.

The Compliance Subcommittee update included:

- FDA Activity and recent press releases – shared updated FDA enforcement priorities
- Overview on proposed State flavor ban legislation through August 2024.
- Overview on ANP's, (alternative nicotine tobacco products) such as ENDS, (electronic nicotine devices), Dissolvable, Illicit Deposable e-Vapor, Hookah, Nicotine Pouches, including the proliferation of synthetic nicotine and analogs starting to enter the marketplace.

Topics for the Compliance Subcommittee at the upcoming Uniformity meeting in San Antonio, TX later this month will include;

- Election update – States and Federal
- What are the FDA expectations in a Trump Administration?
- State Vapor directory update - what new States are being added in 2025?
 - Iowa, Utah and Kentucky Directory status updates – and more to be added in the back half of 2025
- Recent enforcement activity and press releases from the FDA.
 - Menthol Ban Status?
 - VLN Rule?
 - Recent Seizures
 - New Federal Enforcement – Import Alerts Changes
- Confiscation or Seizure in Place, Storage, and the High Costs for Destruction of illicit disposable e-Vapor & Vape Liquids
- Reviewed TX case studies on untaxed hookah and counterfeit cigarettes and tax stamps.

Justin and Jim

Forms Subcommittee Update

Hello and welcome to San Antonio! In Alabama, we discussed the cover / reconciliation pages, Schedule Codes and Adjustment Code definitions. There is still some room for discussion, if needed. This time we would like to ask if there should be an explanation field under adjustment to inventory for physical inventory of cigarettes. If you have any other suggestions, please bring them with you or contact Marci or Casey ahead of time. The Forms Subcommittee will continue to review the forms for any needed changes. If you find that a change is needed, you have suggestions, or something on a form needs clarification, please reach out to Marci or Casey or any of the other committee chairs. Enjoy your time in San Antonio!



Marci and Casey

Technology Subcommittee Update

Welcome to the January 2025 Tobacco Uniformity meeting in San Antonio, Texas! We are Raymond Chu, Senior Tax Manager at Core-Mark, and Isa Momoh, Information Systems Manager at the North Carolina Department of Revenue, Excise Tax Division. Ray, the industry co-chair, brings a wealth of tobacco tax knowledge, while Isa complements this with her extensive technical expertise. We are proud of the successful partnership we have developed in a short time, which is crucial for the effective and efficient work of the Technology Subcommittee.

During this meeting, our subcommittee will explore the journey toward successful tobacco uniformity and discuss strategies to guide you along this path. We will connect with individuals who have achieved uniformity, gaining valuable insights into the steps they took before, during, and after the transition. Our presentation will cover various topics, including the process of requesting and obtaining schema approval, implementing subsequent actions, and learning from their overall journey toward uniformity.

Schema Approval Process:

1. Submission: States submit their proposed schemas for review.
2. Validation: Schemas are validated against the FTA E-Standards to ensure compliance.
3. Feedback Loop: Iterative feedback is provided to address any discrepancies or improvements.
4. Final Approval: Once all criteria are met, the schema is approved and published.

Implementation Steps:

1. Integration Testing: Ensuring the new schema integrates seamlessly with existing systems.
2. Data Migration: Transitioning existing data to the new schema format.
3. User Training: Conducting training sessions for state personnel on the new system.
4. Go-Live Support: Providing support during the initial phase of implementation to address any issues.

Lessons Learned:

1. Stakeholder Engagement: Early and continuous engagement with all stakeholders is crucial.
2. Documentation: Comprehensive documentation of the schema and implementation process aids in smoother transitions.
3. Flexibility: Being adaptable to changes and feedback ensures a more robust system.

Last year, we successfully worked with Iowa and Illinois to review and approve their state schemas in time for their transition to uniform tobacco electronic filing systems. For Illinois, we also collaborated with them and E-Standards to include a cover page in the master tobacco schema. We are pleased to report that FTA E-Standards approved the change, and in July 2024, they published a revised tobacco schema, TobaccoV2.0, available on the FTA Tobacco page.

Additionally, we are excited to share Kansas has all expressed serious interest in tobacco uniformity. Conversations have begun with Kansas, with meetings in October 2024 and January 2025, and we hope to provide more details soon with the other states (Utah, Arizona, Nebraska, and Pennsylvania) that have expressed interest. We are also actively updating the implementation guide and hope to have that reviewed and updated on the FTA Tobacco Tax Section website.

We eagerly anticipate your active participation in this meeting. Your presence and contributions will undoubtedly enhance our collective efforts as we work toward the goals of the Uniformity Committee.

Ray and Isa

How Can You Become More Involved In Uniformity?

- ◆ Regularly check for updates at FTA's Tobacco Uniformity website at <https://taxadmin.org/tobacco-tax-section>.
- ◆ Talk to other states and industry members.
- ◆ Attend meetings!



Things to consider.....

If you don't currently require cigarette and/or tobacco returns, and/or PACT Act reports to be filed electronically, do you know when your state is expected to do so?

Has your revenue staff coordinated with your AG's staff to ensure the uniform schedules will also fulfill all of their filing requirements? If you're from the AGO, reach out to your Revenue Department.

Communications and Legislation Subcommittee Update

Happy New Year and welcome to San Antonio, Texas!

The Tobacco Tax Information by State (TTIbS) book has become a great resource for states, industry, and everyone in-between. The 2024 version has been added to the FTA website for all to access. This meeting, we will decide if there is anything to add for the year. A few great topics have been brought up regarding cigarette tax stamps and alternative nicotine products. All discussion and ideas are welcome! To view the most recent version, please visit https://taxadmin.org/wp-content/uploads/resources/tobacco/tobacco_tax_information_by_state.pdf.

The Uniformity Guide will be updated with the addition of the Cannabis Subcommittee and a few other necessary changes. One thing to add is a universal definition of Alternative Nicotine Products – so come prepared to help us nail this down!

There are three white papers underway: Alternative Nicotine Products, Flavor Bans, and Vapor Directory. Our goal is to have these completed by the August 2025 meeting. If anyone would like to volunteer for one or would like topic suggestions, please let us know.

As always, we ask that States come prepared to talk about any known legislation changes that may occur, things likely to pass, or recent changes made effective. This helps all attendees be aware of what's to come and better understand what works and problem areas.

We look forward to yet another great meeting!

Cheyenne and Garrett

Cannabis Subcommittee Update

DEA's Proposed Rescheduling of Cannabis: A Game-Changer for the Industry

In April 2024, the DEA proposed rescheduling cannabis from a Schedule I to a Schedule III drug under the Controlled Substances Act, recognizing its accepted medical use and lower potential for abuse. Despite recent delays in hearings due to appeals and procedural issues, this change is a game-changer for the industry. It will allow cannabis businesses to take standard tax deductions, easing financial burdens, and enhance medical research, leading to new discoveries and products. Improved access to banking services will provide stability and growth opportunities. While not full legalization, this move sets the stage for more consistent federal oversight and potential interstate commerce, making it easier for cannabis businesses to operate, expand, and innovate.

Alberto and Emily

Tobacco Tax Section Officers

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Florence Sam, DC

National Vice Chair

Marci Rosencutter, Kansas

National Secretary



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Uniformity Chairs

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State of Texas

Tim Harris
Core-Mark

Cannabis

Alberto DeLaSerna
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Emily Joorfelz
State of Mississippi

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Garrett Nedved
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Compliance

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FTA Tobacco Tax Section
Uniformity Committee
Mission Statement

Provide an opportunity for government and industry to partner for the efficient and effective reporting and remittance of tobacco taxes, to minimize tobacco tax evasion, and to act as an information resource to stakeholders.

